

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
CONTINENTAL GENERAL)	Order D2002-74
INSURANCE COMPANY,)	
)	CONSENT ORDER
An Authorized Insurer)	
)	
)	
)	

FINDINGS OF FACT:

1. Continental General Insurance Company ("Continental") holds a certificate of authority which was duly and properly issued by the Washington state Insurance Commissioner. Continental is, therefore, governed by the provisions of Title 48 RCW, the Insurance Code.
2. RCW 48.05.250 provides that each authorized insurer shall annually, before the first day of March, file with the Commissioner a true statement of its financial condition, transactions and affairs as of the thirty-first day of December preceding.
3. Continental did not file with the Commissioner a true statement of its financial condition, transactions and affairs as of the thirty-first day of December, 2001, by March 1, 2002.
4. A letter dated March 14, 2002, was sent to Continental, notifying it of its failure to timely file the annual statement required by RCW 48.05.250. The letter requested a written response no later than April 5, 2002, explaining the legal reason, if any, why the insurer's failure to file its annual statement by March 1, 2002, should not be referred for disciplinary proceedings as authorized by RCW 48.05.250(3). In a reply letter dated March 21, 2002, the insurer stated that this was due to an unexpected delay in consummating a reinsurance transaction. This does not excuse Continental from its failure to timely file its annual statement with the Commissioner.
5. In addition, Continental failed to timely file its annual statement for the year 2000 by not later than March 1, 2001. As a result, the Commissioner issued Consent Order D-2001-57. That Order fined Continental Two Hundred Fifty Dollars (\$250.00) and suspended an additional amount of Seven Hundred Fifty Dollars (\$750.00) on condition that Continental would comply with certain conditions set forth in the Conditions Section

of the consent order. One of these was that Continental would file the statement required by RCW 48.05.250 for the year ending December 31, 2001 no later than the last day of February, 2002.

CONCLUSIONS OF LAW:

1. By failing to file with the Commissioner before March 1, 2002, a true statement of its financial condition, transactions and affairs as of December 31, 2001, Continental General Insurance Company violated RCW 48.05.250.
2. This failure to timely file its 2001 annual statement was also a violation of the condition to which Continental agreed in Consent Order D-2001-57. According to the terms of that Order, this made Continental liable to the imposition of a fine of Seven Hundred Fifty Dollars (\$750.00), which had been suspended by that order.

CONSENT TO ORDER:

1. Continental General Insurance Company hereby admits to the foregoing Findings of Fact and Conclusions of Law. Continental acknowledges its duty to comply with all applicable laws and regulations of the State of Washington.

The Commissioner has offered a settlement in lieu of suspending or revoking Continental's certificate of authority pursuant to RCW 48.05.250(3). Continental accepts the proposed settlement, in lieu of further proceedings in this matter.

By agreement of the parties, the Commissioner will impose a fine of Seven Hundred Fifty Dollars and no/100 upon Continental for the violations set forth herein.

EXECUTED AND AGREED this 14th day of May, 2002.

CONTINENTAL GENERAL
INSURANCE COMPANY

Typed Name: _____

Typed Corporate Title: _____

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Seven Hundred Fifty Dollars and no/100 (\$750.00) upon Continental General Insurance Company. This fine must be paid in full within thirty days of the date of entry of this Order. Failure to pay the fine timely and in full shall constitute grounds for revocation of the certificate or authority held by Continental General Insurance Company in the state of Washington, and for recovery of the fine of \$750.00 in a civil action brought by the Attorney General on behalf of the Insurance Commissioner.

ENTERED AT LACEY, WASHINGTON, this 28th day of May, 2002.

MIKE KREIDLER
Insurance Commissioner

By: _____

James T. Odiorne
Deputy Insurance Commissioner
Company Supervision